

Women business owners were less likely than men business owners to have previously owned a business--about 14 percent compared with 22 percent. Managerial experience provides individuals with experience in decisionmaking and employee supervision which might be drawn upon once these individuals become business owners. Although women sole proprietors may tend to have less work experience and even less managerial experience than their male counterparts, women business owners have the highest proportion of persons with at least a high school education (86 percent versus 83 percent for men owners). While men owners are somewhat more likely to have acquired 5 or more years of college education, slightly more than half of women business owners (52 percent) had at least 1 year of college, 15 percent had 5 or more years of college, and 63 percent had attended a business course, seminar or workshop.

Opportunities for women in business should be enhanced as a result of recent public attention to the status of women business ownership and passage of legislation to provide training and assistance for women owners. For example, in June 1988, the U.S. House of Representatives issued a report, New Economic Realities: The Rise of Women Entrepreneurs, which was the result of hearings held by the Congress on women-owned businesses.

Recently, the Office of Women's Business Ownership in the U.S. Small Business Administration (SBA) announced a program for long-term training and counseling called Women's Network for Entrepreneurial Training (WNET). This program is designed to foster year long mentoring relationships between successful women-owned businesses and fledgling women-owned businesses of 1 to 3 years. Additional information about this program may be obtained from the Office of Women's Business Ownership at (202) 653-8000.

The Women's Business Ownership Act of 1988 authorizes \$10 million over a 3-year period for financial assistance to private organizations to provide financial, management, marketing, and technical assistance to women business owners. The intent of the law is to replicate existing programs offering long-term training and counseling. The U.S. Small Business Administration recently announced three Federal grants totaling more than \$700,000--the first in a series expected under the act. Organizations funded under the program must match the Federal funds dollar for dollar with private money. The organizations must also have proven experience in providing this kind of training, must be able to quickly initiate the new training, and must be able to provide specialized training to women who are socially and economically disadvantaged. Additional information about this program may be obtained by calling the Office of Women's Business Ownership in the U.S. Small Business Administration at (202) 653-8000.

The Women's Business Ownership Act also amends the Equal Credit Opportunity Act to add certain business loans to those already covered by the Act. It contains provisions such as the establishment of a 5-year National Women's Business Council to review the status of women-owned businesses, data collection procedures and other government initiatives relating to women-owned business and recommends ways to promote greater access to financing and procurement opportunities for such businesses.

Women's business ownership is seen by the Women's Bureau as a significant step in efforts to improve the economic status of women. Women-owned businesses represent a significant part of the overall U.S. economy and also provide important sources of employment for the growing numbers of women entering the labor force. In addition, home-based businesses may often serve as a viable option for those women who may wish to enter the labor force but who, for various reasons, may not be able to seek employment outside the home.

Facts on Working Women

U.S. Department of Labor
Women's Bureau



No. 89-6
December 1989

HISPANIC ORIGIN WOMEN BUSINESS OWNERS

According to the Bureau of the Census, U.S. Department of Commerce, women owned 2.7 million sole proprietorships in the United States in 1982. In a recent study by Faith Ando and Associates, "Minorities, Women, Veterans and the 1982 Characteristics of Business Owners Survey, A Preliminary Analysis," it was reported that Hispanic women owned 2.1 percent of all women-owned sole proprietorships in the United States in 1982.

Similar to firms owned by all women, those owned by Hispanic women (76 percent) are more likely to be in services (49 percent) and retail trade (27 percent). The six States with the highest share of firms owned by Hispanic women are California (33 percent), Texas (23 percent), Florida (12 percent), New York (6 percent), New Mexico (4 percent), and Arizona (3 percent). Further, according to the Ando report, among sole proprietorships owned by Hispanic women:

- Almost 55 percent were home-based, less than among all women-owned sole proprietorships (61 percent).
- About 91 percent had no employees and 6 percent had one to four employees. Women and minorities were employed in 6 percent of the firms.
- About 91 percent did not export any of their goods or services.
- In 1982, 48 percent of the firms had less than \$5,000 in sales and 36 percent had between \$5,000 and \$24,999 in sales.
- Most showed some profits. About one-fifth suffered a net loss. Of firms owned by Hispanic women, 45 percent had 1982 profits of less than \$5,000; 26 percent had profits between \$5,000 and \$19,999; and 18 percent had a net loss of less than \$5,000. Among all women-owned sole proprietorships, 40 percent had profits below \$5,000 and 15 percent had a net loss of less than \$5,000.
- About 21 percent reported none of their income originated with the firm. On the other hand, 23 percent reported that 100 percent of their 1982 income came from their businesses.
- Forty percent had no initial capital and an additional 39 percent began with less than \$5,000.

- Seventy-three percent of Hispanic women reported their firms had no equity capital. Of those who used equity capital, the dominant source (13 percent of firms) was family.
- With respect to the firm's initial debt ratio, 65 percent had no debt. However, 12 percent had between 91 and 100 percent debt. Two debt sources dominate in the case of firms owned by Hispanic women. They are banks (51 percent) and family (32 percent).
- About 55 percent of firms owned by Hispanic women in 1982 survived until 1986. The two chief reasons given by those that discontinued operations were insufficient profit (43 percent) and personal (47 percent).

Characteristics of Hispanic women business owners:

- 78 percent were between the ages of 25 to 54
- 72 percent were married
- 78 percent had been business owners for less than 7 years. Twenty-nine percent had been in business for less than 1 year.
- 74 percent were founders of the firm covered in this report. About 9 percent had previously owned another business.
- 84 percent had previous paid employment. Although 69 percent had had no managerial experience in paid employment, 49 percent had attended business courses or seminars. About 39 percent had at least 1 year of college.
- Had few role models. Only 29 percent of Hispanic women business owners had a close relative who owned a business. Of those with a role model, 29 percent reported they had worked for a relative. About 39 percent of all women sole proprietors had role models.

Opportunities for Hispanic and other women business owners should be enhanced by the Women's Business Ownership Act of 1988 which authorizes \$10 million over a 3-year period for private organizations to provide financial, management, marketing, and technical assistance to women business owners. Information about programs funded under this Act may be obtained from the Office of Women's Business Ownership in the U.S. Small Business Administration at (202) 653-8000.

The Office of Women's Business Ownership recently announced a program to foster long-term mentoring relationships between successful women-owned businesses and fledgling women-owned businesses of 1 to 3 years. Additional information about this program, Women's Network for Entrepreneurial Training (WNET), may be obtained from the Office of Women's Business Ownership at the number listed above.

Sources: "Minorities, Women, Veterans and the 1982 Characteristics of Business Owners Survey, A Preliminary Analysis," Faith Ando and Associates, Haverford, Pennsylvania, September 1988; and U.S. Small Business Administration.

Facts on Working Women

U.S. Department of Labor
Women's Bureau



No. 89-7
September 1989

BLACK WOMEN BUSINESS OWNERS

According to the Bureau of the Census, U.S. Department of Commerce, women owned 2.7 million sole proprietorships in the United States in 1982. In a recent study by Faith Ando and Associates, "Minorities, Women, Veterans and the 1982 Characteristics of Business Owners Survey, A Preliminary Analysis," it was reported that Black women owned 3.8 percent of all women-owned sole proprietorships in the United States in 1982.

Similar to firms owned by all women, those owned by Black women (82 percent) are more likely to be in services (53 percent) and retail trade (29 percent). The 6 States with the highest share of firms owned by Black women are California (14 percent), Texas (9 percent), New York (9 percent), Maryland (6 percent), Illinois (5 percent), and Ohio (5 percent). Further, according to the Ando report, among sole proprietorships owned by Black women:

- Sixty percent were home-based, about the same as among all women-owned sole proprietorships (61 percent).
- About 96 percent had no employees and 3 percent had one to four employees. Women were employed in 3 percent of the firms and minorities were employed in 4 percent.
- More than 93 percent did not export any of their goods or services.
- In 1982, 57 percent of the firms had less than \$5,000 in sales and 34 percent had between \$5,000 and \$24,999 in sales.

- Most showed some profits. About one-fourth suffered a net loss. Of firms owned by Black women, 46 percent had 1982 profits of less than \$5,000; 21 percent had profits between \$5,000 and \$19,999; and 24 percent had a net loss of less than \$5,000. Among all women-owned sole proprietorships, 40 percent had profits below \$5,000 and 15 percent had a net loss of less than \$5,000.
- About 27 percent reported none of their income originated with the firm. On the other hand, 18 percent reported that 100 percent of their 1982 income came from their businesses.
- About 43 percent had no initial capital and an additional 44 percent began with less than \$5,000.
- Seventy-three percent of Black women reported their firms had no equity capital. Of those with equity capital, the dominant source (12 percent of firms) was family.
- With respect to the firm's initial debt ratio, about 71 percent had no debt. However, 9 percent had between 91 and 100 percent debt. Three debt sources dominate in the case of firms owned by Black women--banks (50 percent), family (27 percent), and friends (14 percent).
- About half of firms owned by Black women in 1982 survived until 1986. The two chief reasons given by those that discontinued operations were insufficient profit (41 percent) and personal (47 percent).

Black women business owners are likely:

- to be between the ages of 25 and 54 (71 percent).
- to be married (55 percent).
- to have at least 1 year of college (51 percent).
- to have been business owners for less than 7 years (72 percent). About 29 percent had been in business for less than 1 year.
- to have been founders of the firm covered in this report (72 percent). About 8 percent had previously owned another business.
- to have had previous paid employment (82 percent). Although 63 percent had had no managerial experience in paid employment, 65 percent had attended business courses or seminars.
- to have had few role models. Only 22 percent of Black women business owners had close relatives who owned a business. Of those with a role model, 29 percent reported they had worked for the relative. About 39 percent of all women sole proprietors had a role model.

Opportunities for Black and other women business owners should be enhanced by the Women's Business Ownership Act of 1988 which authorizes \$10 million over a 3-year period for private organizations to provide financial, management, marketing, and technical assistance to women business owners. Information about programs funded under this Act may be obtained from the Office of Women's Business Ownership in the U.S. Small Business Administration at (202) 653-8000.

The Office of Women's Business Ownership in the U.S. Small Business Administration recently announced a program to foster long-term mentoring relationships between successful women-owned businesses and fledgling women-owned businesses of 1 to 3 years. Additional information about this program, Women's Network for Entrepreneurial Training (WNET), may be obtained from the Office of Women's Business Ownership at (202) 653-8000.

Sources: "Minorities, Women, Veterans and the 1982 Characteristics of Business Owners Survey. A Preliminary Analysis," Faith Ando and Associates, Haverford, Pennsylvania, September 1988; and U.S. Small Business Administration.

Facts on Working Women

U.S. Department of Labor
Women's Bureau



No. 89-8
December 1989

ASIAN AMERICAN WOMEN BUSINESS OWNERS

According to the Bureau of the Census, U.S. Department of Commerce, women owned 2.7 million sole proprietorships in the United States in 1982. In a recent study by Faith Ando and Associates, "Minorities, Women, Veterans and the 1982 Characteristics of Business Owners Survey, A Preliminary Analysis," it was reported that Asian American women owned 1.6 percent of all women-owned sole proprietorships in the United States in 1982.

Similar to firms owned by all women, those owned by Asian American women (80 percent) are more likely to be in services (51 percent) and retail trade (29 percent). The six States with the highest share of firms owned by Asian American women are California (40 percent), Hawaii (11 percent), New York (8 percent), Texas (6 percent), Illinois (4 percent), and Washington (3 percent). Further, according to the Ando report, among sole proprietorships owned by Asian American women:

- Fifty-one percent were home-based, less than among all women-owned sole proprietorships (61 percent).
- About 88 percent had no employees and 8 percent had one to four employees. Women were employed in 9 percent and minorities were employed in 7 percent of the firms.
- More than 88 percent did not export any of their goods or services.
- In 1982, 47 percent had less than \$5,000 in sales and 39 percent had between \$5,000 and \$49,999 in sales.
- Most showed some profits. About one-fifth suffered a net loss. Of firms owned by Asian American women, 39 percent had 1982 profits of less than \$5,000; 25 percent had profits between \$5,000 and \$19,999; and 19 percent had a net loss less than \$5,000.
- About 20 percent reported none of their income originated with the firm. On the other hand, about 20 percent reported that 100 percent of their 1982 income came from their businesses.
- About 30 percent had no initial capital, and an additional 35 percent began with less than \$5,000.
- Sixty percent of Asian American women reported their firms had no equity capital. Of those with equity capital, the dominant source (23 percent of firms) was family.

- With respect to the firms' initial debt ratio, 61 percent had no debt. However, 8 percent had between 91 and 100 percent debt. Four debt sources dominate in the case of firms owned by Asian American women. They are banks (46 percent), family (33 percent), friends (18 percent) and former owners (15 percent). (Note: A firm may have had more than one source.)
- About 58 percent of firms owned by Asian American women in 1982 survived until 1986. The two chief reasons given by those that discontinued operations were insufficient profit (42 percent) and personal (47 percent).

Characteristics of Asian American women business owners:

- 67 percent were between the ages of 25 to 44
- 74 percent were married
- 71 percent had completed at least 1 year of college
- 87 percent had been business owners for less than 7 years. Thirty-six percent had been in business for less than 1 year.
- 72 percent were founders of the firm covered in this report (72 percent). Twelve percent had previously owned another business.
- 86 percent had previous employment (86 percent). Although 62 percent had had no managerial experience in paid employment, 53 percent had attended business courses or seminars.

Asian American women business owners (36 percent) are nearly as likely as all women business owners (39 percent) to have had a role model, i.e., a close relative who owned a business. Of Asian American women business owners with a role model, 30 percent reported they had worked for a relative.

Opportunities for Asian American and other women business owners should be enhanced by the Women's Business Ownership Act of 1988 which authorizes \$10 million over a 3-year period for private organizations to provide financial, management, marketing, and technical assistance to women business owners. Information about programs funded under this Act may be obtained from the Office of Women's Business Ownership in the U.S. Small Business Administration at (202) 653-8000.

The Office of Women's Business Ownership in the U.S. Small Business Administration recently announced a program to foster long-term mentoring relationships between successful women-owned businesses and fledgling women-owned businesses of 1 to 3 years. Additional information about this program, Women's Network for Entrepreneurial Training (WNET), may be obtained from the Office of Women's Business Ownership at the number listed above.

Sources: "Minorities, Women, Veterans and the 1982 Characteristics of Business Owners Survey, A Preliminary Analysis," Faith Ando and Associates, Haverford, Pennsylvania, September 1988; U.S. Small Business Administration.

Facts on Working Women

U.S. Department of Labor
Women's Bureau



No. 89-9
December 1989

AMERICAN INDIAN/ALASKA NATIVE WOMEN BUSINESS OWNERS

American Indian/Alaska Native women business owners, like all women business owners, are more likely to own sole proprietorships in the services industries (43 percent) and in retail trade (36 percent). The 6 States with the most sole proprietorships owned by these women are California (19 percent), Oklahoma (11 percent), North Carolina (9 percent), Alaska (6 percent), Texas (5 percent), and Colorado (4 percent). Among sole proprietorships owned by American Indian/Alaska Native women:

- Almost 69 percent were home-based, compared with all women-owned sole proprietorships (61 percent).
- About 94 percent had no employees. Women were employed in 5 percent and minorities were employed in 3 percent of the firms.
- Eighty-nine percent did not export any of their goods or services out of the U.S.
- In 1982, 59 percent had less than \$5,000 in sales and 28 percent had between \$5,000 and \$24,999 in sales.
- Most showed some profits. About one-fifth suffered a net loss. Of firms owned by American Indian/Alaska Native women, 49 percent had 1982 profits of less than \$5,000; 25 percent had profits between \$5,000 and \$19,999; and 19 percent had a net loss less than \$5,000.
- About 20 percent reported none of their income originated with the firm. On the other hand, 21 percent reported that 100 percent of their 1982 income came from their businesses.
- About half had no initial capital and an additional 33 percent began with less than \$5,000.
- Seventy-five percent of American Indian/Alaska Native women reported their firms had no equity capital. Of those with equity capital, the dominant source (11 percent of firms) was family.
- With respect to the firms' initial debt ratio, 68 percent had no debt. However, 10 percent had between 91 and 100 percent debt. Two debt sources dominate in the case of firms owned by American Indian/Alaska Native women. They are banks (46 percent) and family (22 percent).

- About 54 percent of firms owned by American Indian/Alaska Native women in 1982 survived until 1986. The two chief reasons given by those that discontinued operations were insufficient profit gains (42 percent) and personal preference (47 percent).

Characteristics of American Indian/Alaska Native women business owners:

- 82 percent were between the ages of 25 to 54
- 70 percent were married
- 80 percent had been business owners for less than 7 years. About 31 percent had been in business for less than 1 year
- 70 percent were founders of the firm covered in this report. Ten percent had previously owned another business
- 90 percent had had previous paid employment. Although 63 percent had had no managerial experience in paid employment, 45 percent had attended business courses or seminars. Thirty-eight percent had at least 1 year of college.
- Had few role models. Only 23 percent of American Indian/Alaska Native women business owners had a close relative who owned a business. Of those with a role model, 31 percent reported they had worked for a relative. About 39 percent of all women sole proprietors had a role model.

Opportunities for American Indian/Alaska Native and other women business owners should be enhanced by The Women's Business Ownership Act of 1988 which authorizes \$10 million over a 3-year period for private organizations to provide financial, management, and technical assistance to women business owners. Information about programs funded under this Act may be obtained from the Office of Women's Business Ownership in the U.S. Small Business Administration at (202) 653-8000.

The Office of Women's Business Ownership in the U.S. Small Business Administration recently announced a program to foster long-term mentoring relationships between successful women-owned businesses and fledgling women-owned businesses of 1 to 3 years. Additional information about this program, Women's Network for Entrepreneurial Training (WNET), may be obtained from the Office of Women's Business Ownership at the number listed above.

Federal loans or grants for American Indians/Alaska Natives can be obtained by contacting the Division of Financial Assistance, Bureau of Indian Affairs, 18th and C Streets, NW., Washington, DC 20240, (202) 343-3657. For tribal groups or Indian organizations, financial assistance applications are available from the Administration for Native Americans, Office of Human Development Services, Department of Health and Human Services, 200 Independence Avenue, SW., 344F, Washington, DC 20201-1000. For technical assistance or training, contact the National Center for American Indian Enterprise Development Headquarters, 9650 Flair Drive, Suite 303, El Monte, California 91731, 1-800-423-0452 (outside California) or (818) 442-3701.

Sources: "Minorities, Women, Veterans and the 1982 Characteristics of Business Owners Survey, A Preliminary Analysis," Faith Ando and Associates, Haverford, Pennsylvania, September 1988; and U.S. Small Business Administration.

EXHIBIT 4



Congressional Caucus for Women's Issues

WOMEN BUSINESS OWNERS

October 1992

The number of women-owned businesses in the United States has increased dramatically in recent years. Today, there are about six million women-owned businesses, roughly three and a half million more than in 1982. (National Women's Business Council, 1991). Businesses owned by women constitute one of the fastest growing sectors of the American economy, with women starting businesses at a rate twice that of men. (Small Business Administration, 1991).

- * 32 percent of all small businesses are owned by women (SBA, 1991)
- * 13.9 percent of all public or "C" corporations are owned by women (SBA, 1991)
- * The Small Business Administration has predicted that, by the year 2000, 40 percent of all small businesses will be owned by women.

Women-owned businesses are spread throughout every sector of the economy, including venture capital, construction, manufacturing, mining, and finance. Three-fifths of businesses owned by women are, however, concentrated in the less profitable service and retail industries. More than 50 percent of all women-owned businesses are service companies and nearly 20 percent are retail industries. In contrast, only about 7 percent of the companies women own are in the areas of construction, manufacturing, and wholesale trade. ("A Status Report to Congress: Statistical Information on Women in Business," Small Business Administration, December 1990).

This uneven distribution is one reason why women-owned businesses accrue only about 14 percent of total business revenue while constituting nearly a third of all small businesses. ("Second Annual Report to the President and Congress," National Women's Business Council, 1990).

However, recent evidence suggests that women are beginning to make significant progress in nontraditional areas. Between 1982 and 1987, women increased their ownership of all construction businesses from 4.7 percent to 5.7 percent. Similarly, women increased their share of all manufacturing businesses from 15.8 percent in 1982 to 21.7 percent in 1987. (Census Bureau, 1991).

A brief examination of the information available on women-owned businesses in the U.S. indicates that these enterprises are highly successful. Fewer than one in four women-owned businesses failed during a recent five year study despite a national failure rate of 60 percent in the first six years of business ownership. (NWBC, 1990). Moreover, women-owned businesses are responsible for a significant portion of our national income.

- * Gross receipts from women-owned businesses were \$278.1 billion in 1987 (NWBC, 1990).
- * 6.5 percent of corporate receipts, totaling approximately \$200 billion, were accrued by women-owned "C" corporations in 1987 (SBA, 1991).

- The annual receipts of women-owned businesses are greater than those of any single state in the nation (SBA, 1991)

Despite successes, there are still many barriers standing in the way of women business owners in the United States, particularly in the areas of credit and federal procurement. These barriers must be addressed in the near future if we are to provide women with equal opportunity in the business world and ensure the health of our nation's economy. Given the large contributions women-owned businesses are making in today's marketplace, the well-being of our economy depends in many ways on fostering the growth of these vital economic resources.

OBSTACLES FACED BY WOMEN BUSINESS OWNERS

Obtaining Commercial Credit

Among the greatest obstacles faced by women entrepreneurs is obtaining the necessary credit to start or expand their ventures. A recent study by the National Foundation for Women Business Owners (NFWBO) found that 76 percent of their members had to rely at least in part on personal capital to finance their business start-ups and that 38 percent lack commercial credit entirely.

The difficulties women have obtaining credit stem primarily from two factors. First, women tend to own the types of businesses that banks and other lenders are least likely to finance. Second, women face sexual discrimination in commercial lending.

In general, securing capital for small businesses is extremely difficult. This problem is most acute when the businesses seeking credit lack hard assets. According to a 1990 report by the National Women's Business Council (NWBC), because women have traditionally owned companies with the softest assets -- service, retail, and wholesale businesses -- they have a disproportionate amount of difficulty acquiring credit.

Other businesses that have unusual difficulty obtaining credit are microenterprises -- loosely defined, these are for-profit companies that have five or fewer employees and require little initial capital. A large number of women-owned businesses are microenterprises.

- At least one study has found that 70 percent of the businesses started by women involve less than \$10,000 in capital, and over 50 percent involve less than \$5,000. (Testimony of Ron Phillips, President of Coastal Enterprises Inc., before the House Committee on Small Business, May 6, 1991).

Because investment in microenterprises usually offers a comparatively low rate of return, creditors are often reluctant to dedicate their resources to financing them. Most traditional lending institutions refuse to make business loans for under \$50,000. This is particularly problematic for women business owners, who are starting microenterprises at a rate three times that of men, according to some estimates.

A related problem involves women who wish to establish a microenterprise but are currently receiving public assistance. Under current law, it is impossible for women receiving welfare to obtain business start-up loans without having their benefits terminated. This is because all personal assets,

including loans, are used to determine a person's financial eligibility for government assistance, regardless of whether the loan is to be used for business, rather than personal reasons. As a result, women who might otherwise be able to climb out of poverty by starting their own businesses are unable to do so because of the immediate loss of benefits.

A second factor thwarting women's access to credit is sexual discrimination. Despite the Equal Credit Opportunity Act of 1974, women continue to have more difficulty obtaining credit than men simply because they are women. *Time* magazine reported as recently as 1988 that "a surprising number of bankers remain skeptical that women can successfully run any kind of company, regardless of experience or credit history." In fact, "many banks will not extend commercial loans to women unless their husbands or other men in the family co-sign the application."

- * The 1990 NFWBO survey found that 17 percent of their members had to provide their husbands' signatures in order to gain access to credit.

In addition to these problems, there is evidence that gaining access to credit is becoming even more difficult for women in the 1990's because of a general economic decline. While all small businesses are hurt by the recession and credit crunch, women-owned businesses take a disproportionately large beating because of their concentration in the economically volatile service sector.

Access to Federal Procurement Contracts

Another major problem area for women business owners is federal procurement. The U.S. government is the world's largest buyer of goods and services. Each year, it contracts billions of dollars out to businesses, but women are rarely the recipients of these lucrative agreements.

- * In 1990, only 1.3 percent of the nearly \$178 billion in federal contracts was awarded to women-owned businesses. (Office of Women's Business Ownership, 1991). While this was a significant increase over 1980, when only about one third of one percent of such contracts went to women, it is far short of where women need and deserve to be.

Women attempting to contract with the federal government face several obstacles. First, the costs of dealing with the government can be prohibitive for small organizations operating on limited assets. Because the federal government is slow to pay its bills and financing costs are not recoverable under government regulations, business owners frequently need temporary financing to participate in the procurement system. The 1990 membership survey conducted by NFWBO revealed that 14 percent of respondents found the length of payment turn-around to be a significant barrier to doing business with the federal government.

A second significant obstacle faced by women business-owners participating in the procurement system is that many are dealing with the federal government for the first time. Their businesses have neither the track record nor the understanding of the procurement process within federal agencies to facilitate favorable contract award decisions. The recent NFWBO survey found that 13 percent of their members felt their unfamiliarity with the government impaired their efforts to obtain federal procurement contracts. Anecdotal evidence also indicates that many federal procurement officers are reluctant to contract with women business owners and provide them with little assistance.

A third problem women encounter in the procurement process is surety bonding. Most public works require the contractor to be bonded by a third party to protect taxpayer dollars from contractor default. However, because women often lack experience and capital and face sex discrimination, they may have more trouble obtaining these bonds than other business owners.

Unfortunately, the federal government has done little to aid women business owners in obtaining procurement contracts. No government-wide program specifically designed to assist women in obtaining federal contracts exists. An Executive Order signed by President Carter in 1979 established the Office of Women's Business Ownership at SBA and directed that federal agencies take steps to increase procurement opportunities for women. However, the Office of Women's Business Ownership reports that, in the absence of any specific laws, many agencies are reluctant to set goals for procuring with women-owned businesses.

The situation for women business owners is markedly different from that for minority-owned businesses, which are classified as "socially and economically disadvantaged businesses." The Small Business Act requires every federal agency to establish goals for contracting and subcontracting with minority-owned businesses. In 1988, that law was amended to establish a five percent government-wide contracting goal.

Minority business owners also have access to the 8(a) program, which permits socially and economically disadvantaged businesses to bid for federal contracts without competition. While technically the law also permits nonminority women business owners who can prove they are socially and economically disadvantaged to participate in the 8(a) program, in reality few women have ever been admitted to the program. Only 16 nonminority women have ever been certified under 8(a). In addition, of the 3,660 businesses that have been certified, only 424 have been owned by minority women. (Government Accounting Office, 1991).

The effect of these laws assisting minority-owned businesses has been to dramatically increase their procurement opportunities. Such businesses in 1989 obtained 4.8 percent of all federal procurement contracts.

A handful of legislation does require that assistance be given to women business owners. The Department of Transportation is required by law to set aside a total of 10 percent of surface transportation funds and airport improvement funds for women- and minority-owned businesses. Ten percent of contracts financed by the Agency for International Development (AID) for development assistance are also set aside for women- and minority-owned businesses, as are 10 percent of Energy Department funds for the development, construction and operation of the Superconducting Supercollider. The Environmental Protection Agency (EPA) is required to set-aside 8 percent and 10 percent, respectively, of contracts for wastewater treatment and clean air research to women- and minority-owned businesses. Most recently, Congress approved legislation requiring the Resolution Trust Corporation to establish a goal for participation of women- and minority-owned businesses and giving such businesses a bonus in evaluating their contract proposals.

While such programs have provided needed assistance to women business owners, a broader effort is needed if women are to overcome the plethora of barriers currently excluding them from the procurement system.



Congressional Caucus for Women's Issues

Selected Statistics on Women:

WOMEN IN THE WORKFORCE

March 1992

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WOMEN IN THE WORK FORCE

Labor Force Participation

- * In 1991, 57.3% of women 16 years and over were in the civilian labor force. (Bureau of Labor Statistics, 1991).
- * Participation is highest among women ages 35 through 44, with 76.6% of these women in the labor force. (U.S. Dept. of Labor, Bureau of Labor Statistics. "Employment and Earnings," Vol. 39, No. 1, January 1992).

Table 1:

Employment Status of the Civilian Non-Institutional Population, Age 16 and Up

Year	Female Civilian Non-Institutional Population	Female Civilian Labor Force Number	As a % of
Population	(in thousands)	(in thousands)	
1965	66,731	26,200	39.3
1970	72,782	31,543	43.3
1975	80,860	37,475	46.3
1980	88,348	45,487	51.5
1985	93,736	51,050	54.5
1988	96,630	54,742	56.5
1990	98,399	56,554	57.5
1991	99,214	56,893	57.3

("Employment and Earnings," 1992).

- * In March 1991, over 58% of all women with children under age six and 74% of all women with children between ages six and seventeen were in the labor force. (Bureau of Labor Statistics, 1991).
- * 69% of all women in the workforce were in their childbearing years (ages 18-44) in 1991. (Bureau of Labor Statistics, 1991).
- * Labor force participation rates for women of different races are nearly identical. In 1991, 57% of black women, 57% of white women, and 52% of Hispanic women were in the labor force. ("Employment and Earnings," 1992).
- * The majority of women work out of economic need. In 1991, nearly two-thirds of all women in the labor force were either single (25%), divorced (12%), widowed (4%), separated (4%), or had husbands whose 1990 earnings were less than \$17,500 (17.7%). (U.S. Dept. of Labor, Women's Bureau. "20 Facts on Women Wacteristics of the Labor Force from the March 1991 Current Population Survey," September 1991).

Unemployment

- * In 1991, the unemployment rate for all adult women was 6.3%. In the same year, the unemployment rate for all adult men was 7.0%. ("Employment and Earnings," January 1992)
- * Unemployment figures for minority women are continually higher than for white women. In 1991, the unemployment rate was 5.5% for white women age 16 years and older, while for black women the unemployment rate was 11.9%, and for Hispanic women the rate was 9.5%. ("Employment and Earnings," 1991).
- * Unemployment was 25.2% among black single-parent mothers with children under age six. This was over twice the jobless rate for white mothers with preschoolers (12.8%), and slightly higher than the jobless rate for Hispanic mothers (21.1%). (Bureau of Labor Statistics, 1991).
- * Among black female teenagers between the ages of 16 and 19, the unemployment rate in 1991 was 36.1%. For teenage black males in the same age group, it was 36.5%. ("Employment and Earnings," 1991).

Working Wives

- * Between 1950 and 1991, the number of married women in the work force more than tripled from 8.6 million to 30.2 million. ("Employment and Earnings," 1992).
- * In 1991, more than half (53%) of women workers were married. (Bureau of Labor Statistics, 1991).

Table 2: Labor Force Participation Rates by All Women and Married Women by Age of Children

Year	All Women	<u>Married, Spouse Present</u>		
		Total	Children Ages 6-17	Children Under 6 yrs.
1978	47.6	50.2	57.2	41.6
1983	51.8	57.2	63.8	49.9
1987	55.8	63.8	70.6	56.8
1988	56.5	65.0	72.5	57.1
1991	57.0	58.5	73.6	59.9

("News" U.S. Dept. of Labor, Bureau of Labor Statistics, 1988 and "Marital and Family Characteristics" September 1991).

- * In 1991, 59% of married women worked outside the home in comparison to 25% in 1950. ("Employment and Earnings," 1992).
- * On average, wives worked 32% more hours in 1989 than in 1979. Without the increased hours and wages of wives, incomes for 60 percent of American families would have been lower in 1989 than in 1979. ("Families on a Treadmill: Work and Income in the 1980s," Joint Economic Committee, January 1992).

Households Maintained by Women

- * The number of households maintained by women has more than doubled in the past 30 years. In 1991, 22% of families were headed by a single parent. (Bureau of Labor Statistics, 1991).
- * Of the more than 9.7 million single-parent families with children under age 18 in 1990, nearly 8.4 million were maintained by women. Women accounted for 86% of single-parent families, slightly below the 90% rate in both 1970 and 1980. (Bureau of the Census, 1990).
- * Single mothers are usually younger than single fathers. The average age of a single mother is 32.7, compared with 36.5 for single fathers. ("Single Parents and their Children," Statistical Brief, Bureau of the Census, 1989).
- * In 1991, 74% of white single-parent mothers, 70% of black single-parent mothers, and 55% of Hispanic single-parent mothers were in the labor force. (Bureau of Labor Statistics, 1991).
- * The average family income (including any child support payments) for children living with a single mother was \$17,574, compared with \$29,834 for single fathers and \$47,989 for married couples. (Bureau of the Census, 1990).
- * In 1990, the poverty rate for all families maintained by women was 33.4%, while the poverty rate for families maintained by men was 12.0%. (Bureau of the Census, 1990).
- * Women maintained 52% of all families living below the poverty line in 1989. 73% of poor black families, 47% of poor Hispanic families, and 42% of poor white families were maintained by women in 1989. (Department of Labor, Women's Bureau, 1990).

Wage Gap

- * In 1991, women working full-time, year-round, earned an average of 71 cents for every dollar earned by men. Although this is an increase from the 1989 figure of 68 cents, the change is mainly due to a recent decrease in men's wages. (National Committee on Pay Equity, 1992).
- * In 1991, the median weekly earnings for women over age 16 were \$368, compared to \$497 for men. (Bureau of Labor Statistics, 1991).

Table 3: Median weekly earnings in 1991 of full-time workers by occupation and sex

Occupation	Male	Female
Managerial and professional specialty	\$753	\$527
Engineers, architects and surveyors	851	719
Health assessment and treating	703	616
Lawyers and judges	1089	817
Technical, sales, and administrative support	509	350
Administrative support, including clerical	459	348
Service occupations	330	244
Precision production, craft and repair	494	341
Operators, fabricators, and laborers	387	273

(Bureau of Labor Statistics, 1992).

- * Men at all levels of educational attainment have traditionally earned more than women. In 1990, full-time female workers with college degrees earned, on average, \$28,316, while male college graduates averaged \$43,808. (Bureau of Labor Statistics, 1990).

Table 4:**Median Earnings of Year-Round, Full-Time Workers by Educational Attainment, 1990**

Level of Education	Men		Women	
	White	Black	White	Black
Elementary	\$16,901	\$16,961	\$11,826	\$11,364
Some high school	21,048	16,752	14,010	13,643
High school graduate	26,526	20,281	17,552	16,531
Some college	31,336	25,834	21,547	19,922
College (4+ years)	41,661	32,325	29,109	28,094

(Bureau of the Census, 1991).

- * Of the 5.6 million hourly and salaried workers who earned minimum wage or less in 1991, nearly two-thirds (65%) were women. (Bureau of Labor Statistics, 1991).
- * Differences in skill and experience between women and men account for less than half the wage gap: 27% of the gap for non-high school graduates, 23% for high school graduates, and 47% for college graduates. (National Committee on Pay Equity, 1989).
- * Women's lower earnings cannot be explained by work interruptions, although women do have more interruptions from work than men. Female-male wage ratios are virtually the same for those workers with no interruptions as for all workers. (National Committee on Pay Equity, 1989).

- * At least half of the difference between men's and women's earning is attributable to discrimination. (Testimony of Heidi Hartmann, PhD, Institute for Women's Policy Research, before the House Education and Labor Committee, February 27, 1991).

Occupational Segregation

- * 17 to 30% of the wage gap between men and women is due to the over-representation of women in certain occupations. (National Committee on Pay Equity, 1989).
- * In general, the more women employed in a certain occupation, the lower the pay. According to a 1986 National Academy of Sciences study, every additional percentage point of the female population in a specific occupation is associated with a loss of \$42 in median annual earnings. (National Committee on Pay Equity, 1990).
- * Despite progress by women in entering occupations predominantly held by men in the past, the overall labor market remains sharply segregated by sex. Half of all year-round full-time female employees worked in just 19 out of a possible 503 occupations classified in the 1980 census. ("Women in the American Economy," 1986).

Table 5: Proportion of Female Workers In Selected Occupations, 1975, 1985 and 1989

Occupation	Women as Percent of Total Employed		
	1975	1985	1991
Architect	4.3	11.3	17.3
Child care worker	98.4	96.1	96.0
Computer programmer	25.6	34.3	33.6
Lawyer, judge	7.1	18.2	18.9
Mail carrier	8.7	17.2	27.7
Physician	3.0	17.2	20.2
Registered nurse	97.0	95.1	94.8

(Bureau of Labor Statistics, 1989, 1991; and "Facts on Working Women," U.S. Department of Labor, Women's Bureau, No 90-3, October 1990).

- * Half of all black (53.8%) and Hispanic (51.3%) women workers were in clerical and service occupations in 1991. (Bureau of Labor Statistics, 1991).
- * Women and girls continue to be enrolled in education and training programs that prepare them for low-wage jobs in traditionally female occupations. 70% of female secondary school students are enrolled in programs leading to traditional female jobs. ("Women and Work," National Commission on Working Women of Wider Opportunities for Women, 1990).

Women and Nontraditional Occupations

- * In 1988, only 9% of all working women were employed in nontraditional occupations, which are defined as those jobs in which 75% or more of those employed are men. ("Women and Nontraditional Work," National Commission on Working Women of Wider Opportunities for Women, 1990).
- * Women in nontraditional jobs earn 20% to 30% more than women in traditionally female jobs. ("Women and Nontraditional Work," 1990). However, women who work in the same occupations as men still do not get equal pay:

Table 6: Wage Gap in Nontraditional Occupations

Occupation	Women's Wage	Men's Wage	Wage Gap
Police and Detective	\$483	\$550	12%
Motor vehicle operator	328	412	20%
Mail carrier	547	587	7%
Construction worker	394*	480*	18%

(Bureau of Labor Statistics, 1991)

*Figures for 1990

- * In 1986, little more than 9% of all females who were enrolled in classroom training under the Job Training Partnership Act (JTPA) were trained for nontraditional jobs. ("Women and Nontraditional Work," 1990).

Women in Part-time Work

- * In 1991, an average of 13.6 million women worked part-time, accounting for more than two-thirds of all persons on such schedules (Bureau of Labor Statistics, 1991).
- * 26% of women in the labor force worked part-time and 74% were employed full-time in 1991. ("Employment and Earnings," 1992).
- * The female rate of involuntary part-time work -- part-time workers who would prefer full-time hours -- is 44% greater than that for men. ("Short Hours, Short Shift; Causes and Consequences of Part-time Work," Economic Policy Institute, 1990).
- * The average part-time worker earns only 60% of the hourly wage of the average full-time worker. 22% part-time workers are covered by employer sponsored health insurance, compared with 78% of full-time workers. ("Short Hours, Short Shift," 1990).
- * One in six part-time workers has a family income below the poverty level, compared to one in 37 year-round, full-time workers. ("Short Hours, Short Shift," 1990).

EXHIBIT 5

1987

Economic Censuses

WB87-1

Women-Owned Businesses

Issued August 1990



U.S. Department of Commerce
Robert A. Mosbacher, Secretary
Thomas J. Murrin, Deputy Secretary
Michael R. Darby, Under Secretary
for Economic Affairs

BUREAU OF THE CENSUS
Barbara Everitt Bryant, Director

SUMMARY OF FINDINGS

Women-owned firms increased 57.5 percent from 2,612,621 in 1982 to 4,114,787 in 1987. Receipts increased 183 percent from \$96.3 billion to \$278.1 billion. At least part of the increase can be attributed to a change in IRS regulations which gave tax advantages to business firms filing as subchapter S corporations. Many firms changed their form of ownership from partnerships and other kinds of corporations to subchapter S corporations for the tax benefits. This resulted in artificial increases in total women-owned firms as well as women-owned subchapter S corporations because other corporations are not included in this survey universe.

See table A for a comparison of the increase for women-owned firms and for all U.S. firms.

Table A. Percent Increase by Legal Form of Organization for Women-Owned Firms Compared to All U.S. Firms: 1982 to 1987

Legal form of organization	Percent increase	
	Women-owned firms	All U.S. firms
Individual proprietorships.....	55.8	28.0
Partnerships	16.1	10.4
Subchapter S corporations	185.5	108.4
Other corporations	(NA)	4.1

INDUSTRY CHARACTERISTICS

In 1987 the majority of women-owned firms were concentrated in the service industries. These industries accounted for 55.1 percent of all women-owned firms but only 22 percent of gross receipts. The next largest concentration of women-owned firms was in retail trade with 19.4 percent of the firms and 30.7 percent of the receipts.

The 10 industry groups accounting for the largest dollar volume of receipts for women-owned firms in 1987 are summarized in table B.

GEOGRAPHIC CHARACTERISTICS

California had the largest number of firms (559,821) and receipts (\$31 billion), accounting for 13.6 percent of all women-owned firms and 11.2 percent of their receipts. Texas had the second largest number of firms (298,138) but ranked sixth in receipts with \$13.4 billion, accounting for 7.2 percent of all women-owned firms but only 4.8 percent of their receipts. New York was slightly behind

Table B. Ten Largest Major Industry Groups in Receipts for Women-Owned Firms: 1987

SIC code	Major industry group	Firms (number)	Receipts (million dollars)
51	Wholesale trade—nondurable goods	39 514	24 008
58	Miscellaneous retail	548 353	21 189
55	Automotive dealers and service stations	20 942	20 224
73	Business services	650 494	18 936
50	Wholesale trade—durable goods	42 989	18 787
54	Food stores	46 498	14 428
59	Eating and drinking places	80 848	14 187
65	Real estate	335 439	12 941
72	Personal services	561 885	10 288
80	Health services	235 318	9 616

Texas in number of firms (284,912) but was second in receipts with \$30 billion. New York accounted for 6.9 percent of all women-owned firms but 10.8 percent of their receipts.

Table C shows the 10 metropolitan statistical areas (MSA's) with the largest number of women-owned firms and compares the firms and receipts in these MSA's with the number in their respective States. These 10 MSA's account for 20 percent of the total number of women-owned firms in the United States and 25 percent of the gross receipts.

LEGAL FORM OF ORGANIZATION

The majority of women-owned firms operated as individual proprietorships in 1987 (3,722,544 or 90.5 percent, down from 91.5 percent in 1982). This group accounted for 29 percent of gross receipts compared to 49.7 percent in 1982. Of the total number of firms, 155,780 or 3.8 percent were partnerships, accounting for 10.5 percent of gross receipts. Partnerships accounted for 5.1 percent of the women-owned firms and 19.9 percent of gross receipts in 1982. Subchapter S corporations accounted for only 5.7 percent of the total number of firms but 80.5 percent of gross receipts. This is up from 3.4 percent of the firms and 30.4 percent of gross receipts in 1982. (See the first paragraph of the Summary of Findings.)

SIZE OF FIRM

Women-owned firms with paid employees accounted for 15 percent of the total number of firms and 80.5 percent of gross receipts. There were 2,937 firms with 100 employees or more which accounted for \$53 billion in gross receipts (19.2 percent of the total receipts of employee firms).